



State of Utah

GARY R. HERBERT

Governor

GREG BELL

Lieutenant Governor

TODD E. KISER

Commissioner

Insurance Department

For Immediate Release

September 19, 2013

Contact: Jilene Whitby

801-538-3803

jwhitby@utah.gov

Scammers Take Advantage of Health Reform Confusion

State Insurance Regulator warn consumers to be on alert

Since the Affordable Care Act (ACA) was signed into law in March 2010, unscrupulous scammers have been creating ways to take advantage of consumers' uncertainty surrounding the law. Posing as insurance agents or representatives of the federal government, these scam artists try to sell fraudulent policies or obtain sensitive information like social security and bank account numbers. The Utah State Insurance Department is warning consumers about common red flags and providing tips on how to avoid being the victim of a scam.

Health Insurance Marketplaces

One of the largest components of the ACA is the creation of new health insurance marketplaces, or exchanges, for individuals and small employers. These online portals ask consumers to enter information about themselves and select the level of coverage they desire in order to receive a list of plans they can purchase.

Open enrollment in the new marketplaces begins October 1. However, bogus websites that purport to be part of the exchanges have been appearing online for more than a year. Do not enter any personal or financial information into a website that says you can purchase a policy before the open enrollment period.

You can find a link to Utah's official exchange for individuals at healthcare.gov. Utah's small employer official exchange is Avenue H at <https://avenueh.com/>.

New "Obamacare" Insurance or Medicare Cards

Another common ploy involves unsolicited calls from scammers who claim to have your new "Obamacare" insurance card – they just need to get some information before they can send it to you. The caller then asks for credit card numbers, bank account information or your Social Security number. A variation of this trick specifically targets seniors on Medicare; the caller claims that in order for them to get their new Medicare card and continue receiving their benefits, they must verify their bank account and routing numbers. Some callers ask for their Medicare numbers, which are identical to Social Security numbers. Do not provide this information to callers. You are not required to obtain a new insurance or Medicare card under the ACA. Also, anyone who is a legitimate representative will already have your personal and financial information and should not ask you to provide it.

Don't Be Misled

Here are some other important "red flags" to watch for:

- The salesperson says the premium offer is only good for a limited time.
 - Enrollment in the exchanges will be open from Oct. 1 to March 31, and rates for plans in the exchanges will have been approved for the entire enrollment period. Be skeptical of someone who is trying to pressure you into buying a policy because the rate is only good for a short time. Remember: if the offer sounds too good to be true, it probably is.
- The salesperson says you could go to jail for not having health insurance.
 - Starting in 2014, all Americans will be required to have health insurance. You will not face jail time if you do not purchase health insurance. However, those who remain uninsured and do not qualify for any exemptions will face a penalty of \$95 (for each adult) or 1% of family income, whichever is greater. In 2015, the penalty will increase to \$325 per adult or 2% of family income, and in 2016 and beyond, the penalty will be \$695 per adult or 2.5% of family income. For more information on the individual shared responsibility provision of the ACA, click [here](#).
- You receive an unsolicited phone call or email from someone trying to sell insurance.
 - The federal government and Utah State Insurance Department will not be contacting individual consumers to sell them insurance. Do not give any sensitive information to anyone who claims to be with the federal government or the Utah Insurance Department or a navigator for Utah's Exchange.

Protect Yourself

The best way to protect yourself from insurance fraud is to research the agent and company you're considering. Always **STOP** before writing a check, signing a contract or giving out personal information. **CALL** the Utah State Insurance Department at 801-538-3077 or toll free 1-800-439-3805 and **CONFIRM** that the agent and company are licensed to write insurance in Utah, or verify on-line at <https://secure.utah.gov/agent-search/search.html#>.

More Information

For more information on healthcare reform on the federal as well as the state level, visit the Utah Insurance Department website at <https://insurance.utah.gov/health/reform.php>.

The Utah Insurance Department is a State agency. Its mandate is to regulate insurance marketed and sold in Utah. Currently more than 95,000 agents, agencies, and insurers are licensed; domestic insurers are audited to verify financial stability and compliance with insurance laws; administrative action is taken against licensees found to be in violation of insurance laws; calls from consumers with questions or complaints are taken; and licensees and consumers are educated regarding insurance. For more information visit <http://www.insurance.utah.gov/> or call toll free in-state @ 1-800-439-3805 or locally @ 801-538-3077.